

Message Text

PAGE 01 STATE 036317

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TO AMEMBASSY SANTIAGO IMMEDIATE

UNCLAS STATE 036317

E.O. 11652: N/A

TAGS: ECLA-TECH

SUBJECT: US COMMENTS ON ECLA/SCI/TECH RESES

REF: SANTIAGO 1048

FOLLOWING ARE COMMENTS WITH SUPERFLUOUS WORDS ELIMINATED.

REQUEST EMBASSY DELIVER COPIES OF TELEGRAMS TO ECLA AND

FOLLOW UP WITH ORIGINAL TEXTS WHEN RECEIVED.

1. U.S. NOTE ON RESOLUTION. CREATION OF LATIN AMERICAN
INTERGOVERNMENTAL EXPERT COMMITTEE FOR ANALYSIS OF
APPLICATION OF SCIENCE AND TECHNOLOGY TO DEVELOPMENT OF
LATIN AMERICA.

2.

UNITED STATES SUPPORTS RESOLUTION. WITH REFERENCE TO
LANGUAGE OF UNNUMBERED PREAMBULAR PARA 11, VIZ.,
"THAT THE LATIN AMERICAN COUNTRIES SHOULD UNIFY THEIR
PROPOSALS IN NEGOTIATIONS ON INTERNATIONAL RESOURCES,
WHERE REGIONAL REQUIREMENTS ARE INVOLVED," THE UNITED STATES
RECOGNIZES RIGHT OF COUNTRIES TO UNIFY THEIR PROPOSALS.

3. IT TRUSTS, HOWEVER, THAT POSITIONS WOULD BE UNIFIED
ONLY AFTER FREE AND FULL EXCHANGE OF VIEWS AMONG ALL
UNCLASSIFIED

PAGE 02 STATE 036317

MEMBER COUNTRIES OF ECLA INCLUDING US. IN THIS WISE,
COUNTRIES DESIRING TO UNIFY THEIR POSITIONS CAN DO SO

WITH ASSURANCE THAT THEY HAVE FULLEST INFORMATION AND

UNDERSTANDING OF SITUATIONS AND VIEWS OF OTHER MEMBER GOVERNMENTS.

4. TRANSFER OF TECHNOLOGY TO LATIN AMERICAN COUNTRIES.

5. UNITED STATES GOVERNMENT SUPPORTS OPERATIVE PARAGRAPHS 4, 5 AND 6 OF RESOLUTION. WITH REGARD TO PARAGRAPH (4)A, IT WISHES TO SUGGEST THAT ACTIONS OF FOREIGN MINISTERS OF AMERICAS ALSO BE TAKEN INTO CONSIDERATION IN ECLA STUDIES OF A CODE OF CONDUCT ON TRANSFER OF TECHNOLOGY TO DEVELOPING COUNTRIES.

6. THE UNITED STATES ABSTAINS FROM SUPPORTING PRE-AMBULAR PARAGRAPHS OF RESOLUTION, NAMELY, UNNUMBERED PARAGRAPHS 6, 7, 8, 9, AND 12, AND NUMBERED PARAGRAPHS 1 AND 3. ASSERTIONS IN THESE PARAGRAPHS INCLUDING REFERENCES TO RESTRICTIVE TRADE PRACTICES ARE NOT SUPPORTED BY FACT AND ANALYSIS AND PREJUDGE CONCLUSIONS OF ANALYTICAL STUDIES REQUESTED OF ECLA IN THIS SAME RESOLUTION. MORE PARTICULARLY:

7. (A) AUTHORITATIVE ANALYSIS HAS NOT ESTABLISHED THAT "IN THE MAJORITY OF CASES" FOREIGN INVESTMENTS HAVE NOT BEEN MOST SUITABLE FORM TRANSFER OF TECHNOLOGY. EXPERIENCE HAS DEMONSTRATED THAT FOREIGN INVESTMENTS HAVE BEEN MOST EFFECTIVE METHOD TRANSFER OF TECHNOLOGY AND HAVE MADE A MOST IMPORTANT CONTRIBUTION TO ECONOMIC DEVELOPMENT (REF: PARA 6).

8. (B) DIVERSITY AND COMPLEXITY OF INTERNATIONAL COMMERCIAL ARRANGEMENTS REGARDING TRANSFER OF TECHNOLOGY, AND LACK OF A BASE OF RELIABLE AND WIDELY APPLICABLE STATISTICAL AND ANALYTICAL DATA REGARDING THIS COMMERCE POSE CONSIDERABLE OBSTACLES TO DEVELOPMENT OF COMPREHENSIVE RULES GOVERNING THIS COMMERCE THAT ARE BOTH GENERALLY APPLICABLE AND SERVE LEGITIMATE PRIORITY UNCLASSIFIED

PAGE 03 STATE 036317

INTERESTS OF ALL PARTIES CONCERNED.

9. SOME IMPORTANT ASPECTS OF COMMERCE IN TECHNOLOGY ARE TREATED UNDER ALREADY EXISTING INTERNATIONAL TREATIES, SUCH AS THOSE DEALING WITH INVENTIONS AND OTHER INTELLECTUAL PROPERTY AND INTERNATIONAL MONETARY FUND UNDERTAKINGS REGARDING HANDLING OF INTERNATIONAL FINANCIAL TRANSACTIONS. SOME OF THESE SAME ASPECTS

AND OTHERS -- PARTICULARLY, MATTERS OF RESTRICTIVE PRACTICES -- ARE DEALT WITH TO VARIOUS DEGREES BY NATIONAL LEGISLATION OR IN REGIONAL AGREEMENTS. TAKEN ALL TOGETHER, HOWEVER, EXISTING PATTERN OF ESTAB-

LISHED RULES REGARDING THIS IMPORTANT SUBJECT IS FAR FROM COMPREHENSIVE AND, PARTICULARLY AS REGARDS NATIONAL LEGISLATION, EXHIBITS IN MANY IMPORTANT RESPECTS DISPARITIES IN THE APPROACH TO PARTICULAR PROBLEMS THAT REQUIRE RATIONALIZATION BEFORE WHOLE MATTER CAN BE RESOLVED TO MUTUAL SATISFACTION OF LEGITIMATE INTERESTS OF ALL PARTIES, PRIVATE AND GOVERNMENTAL.

10. SOLUTIONS WHICH ARE DEVELOPED SHOULD BE FLEXIBLE RATHER THAN RIGID, TAKING INTO ACCOUNT THE VARYING NEEDS OF TECHNOLOGY-RECEIVING COUNTRIES AND FACT THAT EFFECTIVE TRANSFER OF PRIVATELY-HELD TECHNOLOGY REQUIRES NOT ONLY ADEQUATE SYSTEMS OF PROTECTION OF RIGHTS BUT ALSO RELATIVE FREEDOM OF PARTIES TO BARGAIN FOR TERMS WHICH PROVIDE ECONOMICALLY SOUND INCENTIVES TO BOTH TECHNOLOGY-SUPPLYING AND TECHNOLOGY-RECEIVING FIRMS (REF: PREAMB PARAS 7,8,9, 12)

11. (C) INSTEAD OF PREAMBLE THAT INDISCRIMINATELY CONDEMNS RESTRICTIONS ON FLOW OF TECHNOLOGY, UNITED STATES WOULD FAVOR REVISED PREAMBLE THAT LOGICALLY SUPPORTS OPERATIVE PARAGRAPHS. SUCH A PREAMBLE MIGHT INCLUDE SERIES OF OBJECTIVES, SUCH AS NEED TO: STRENGTHEN CAPABILITIES OF DEVELOPING COUNTRIES REQUIRED FOR MEANINGFUL AND PRODUCTIVE TRANSFER OF TECHNOLOGY AND FOR MAKING WISE CHOICES ON TYPES OF TECHNOLOGY NEEDED FOR BALANCED ECONOMIC AND SOCIAL DEVELOPMENT; -- PROVIDE BROADEST POSSIBLE OPPORTUNITIES FOR INTERNATIONAL UNCLASSIFIED

PAGE 04 STATE 036317

TRANSFER OF TECHNOLOGY ON A COMMERCIAL BASIS FOR BENEFIT OF ALL NATIONS AND THEIR CITIZENS; -- INSURE EQUITABLE TREATMENT OF PARTICULAR LEGITIMATE INTERESTS OF TECHNOLOGY-SUPPLYING FIRMS AND TECHNOLOGY-RECEIVING FIRMS AND THEIR RESPECTIVE GOVERNMENTS; -- RECOGNIZE WIDE DIVERSITY OF COMMERCIAL ARRANGEMENTS AND MODALITIES FOR TRANSFER OF TECHNOLOGY THAT CAN SERVE THESE INTERESTS AND NOT INTRODUCE ARTIFICIAL CONSTRAINTS THAT WOULD PRECLUDE USE, WHERE LEGITIMATE AND APPROPRIATE, OF ANY OF POTENTIAL VALUE; -- RECOGNIZE SPECIAL NEEDS AND PRIORITIES OF THE DEVELOPING NATIONS; AND -- PROVIDE BASIS FOR EFFECTIVE RATIONALIZATION OF BOTH INTERNATIONAL AGREEMENTS AND NATIONAL LEGISLATION BEARING ON INTERNATIONAL TRADE IN TECHNOLOGY.

12. IF SUCH OBJECTIVES ARE TO BE ACHIEVED, WILL BE NECESSARY INVESTIGATE AND ANALYZE EXISTING INFORMATION REGARDING NUMBER OF BASIC FACETS OF MATTER, AND DEVELOP ADDITIONAL INFORMATION TO FILL IMPORTANT GAPS IN THAT ALREADY AVAILABLE. TO THIS END, UNITED STATES SUPPORTS OPERATIVE PARAGRAPHS OF RESOLUTION CALLING ON THE

EXECUTIVE SECRETARY OF ECLA TO PREPARE SERIES OF ANALYTICAL STUDIES ON INTERNATIONAL TRANSFER OF TECHNOLOGY.

13. (D) WITH REGARD TO NUMBERED PARAGRAPH 3 "CONFIRMING" CERTAIN PROVISIONS IN DECLARATION AND PROGRAM OF ACTION FOR THE ESTABLISHMENT OF A NEW ECONOMIC ORDER, UNITED STATES GOVERNMENT HAS STATED ON MANY OCCASIONS IT SHARES CONVICTION THERE IS REAL NEED FOR BASIC IMPROVEMENTS IN INTERNATIONAL ECONOMIC SYSTEM, AND SUPPORTS IN PRINCIPLE FORMULATION OF NEW GUIDELINES. BUT MANY OF PROVISIONS OF DECLARATION AND PROGRAM OF ACTION ARE UNACCEPTABLE TO UNITED STATES GOVERNMENT IN THEIR PRESENT FORM, INCLUDING THOSE CITED IN THIS RESOLUTION WHICH DEAL WITH FOREIGN INVESTMENT IN TERMS WHICH DO NOT TAKE INTO ACCOUNT DUTY OF STATES TO OBSERVE FULLY ALL RELEVANT AGREEMENTS AND INTERNATIONAL OBLIGATIONS. SUCH PROVISIONS WOULD DISCOURAGE RATHER THAN ENCOURAGE CAPITAL FLOW WHICH IS VITAL FOR DEVELOPMENT
UNCLASSIFIED

PAGE 05 STATE 036317

AND FAIL TO ACHIEVE THE PURPOSE OF ENCOURAGING HARMONIOUS ECONOMIC RELATIONS AND NEEDED DEVELOPMENT.

14. U.S. NOTE ON RESOLUTION. EXODUS OF QUALIFIED PERSONNEL FROM LATIN AMERICA TO DEVELOPED COUNTRIES.

15. UNITED STATES ABSTAINED FROM SUPPORTING THIS RESOLUTION BECAUSE ITS TONE, ITS ASSERTIONS, AND ITS PROPOSED IMPLEMENTATION DO NOT REPRESENT A BALANCED TREATMENT. FROM STANDPOINT OF UNITED STATES GOVERNMENT, RESOLUTION IS NOT SUFFICIENTLY ADDRESSED TO UNDERLYING CAUSES OF EXODUS OF QUALIFIED PERSONNEL AND CONSTRUCTIVE MEASURES NEEDED TO AMELIORATE THE PROBLEM. MORE SPECIFICALLY:

16. (A) MOVEMENT OF QUALIFIED PERSONNEL FROM LATIN AMERICAN COUNTRIES TO THE UNITED STATES IS NOT DUE TO ACTIONS TAKEN SPECIFICALLY TO ATTRACT QUALIFIED IT IS CONSEQUENCE OF FACT THAT THERE EXIST IN UNITED STATES GREATER PROFESSIONAL OPPORTUNITIES, PERSONAL INCOME, OPPORTUNITIES FOR CHILDREN, AND SIMILAR INCENTIVES.

17. (B) MOVEMENT ALSO IS REFLECTION, IN MANY INSTANCES, OF UNHAPPINESS WITH STATE OF AFFAIRS AT HOME, SUCH AS INADEQUATE RECOGNITION, LOW STATUS AND REWARDS FOR SCIENTISTS, UNSTABLE POLITICAL CONDITIONS, AND INABILITY TO MAKE ADEQUATE LIVING. UNLESS THESE CIRCUMSTANCES ARE IMPROVED, MEASURES NARROWLY AIMED AT REDUCING MIGRATION OF PROFESSIONAL PERSONNEL WILL NOT ACHIEVE THIS OBJECTIVE.

18. (C) LARGE PROPORTION OF LEADERS IN SCIENCE, ENGINEERING, AND MEDICAL SCIENCE IN LATIN AMERICA SECURED THEIR ADVANCE TRAINING IN UNITED STATES. AS A GROUP, THEY RETAIN CLOSE AND WARM PERSONAL AND PROFESSIONAL RELATIONSHIPS WITH THEIR COLLEAGUES IN UNITED STATES. IN TOTAL, AND ON BALANCE, COMBINED EFFECTS OF ALL KINDS OF MOVEMENT OF HIGHLY TRAINED PERSONS BETWEEN LATIN AMERICA AND UNITED STATES HAVE BEEN BENEFICIAL TO LATIN AMERICA.
UNCLASSIFIED

PAGE 06 STATE 036317

19. (D) AS IT HAS IN PAST, HIGHER EDUCATION SYSTEM OF UNITED STATES CONTINUES TO OFFER SUBSIDIZED EDUCATION TO TENS OF THOUSANDS OF STUDENTS FROM LATIN AMERICA. ALL BUT FEW OF STUDENTS RETURN TO THEIR OWN COUNTRIES. IN FACT, MOVEMENT OF QUALIFIED PERSONS FROM SOME LATIN AMERICAN COUNTRIES TO UNITED STATES IS ALMOST NEGLIGIBLE. THIS IS TRUE FOR EXAMPLE, OF MEXICO, BRAZIL, AND VENEZUELA. ON OTHER HAND, MOVEMENT FROM SOME OTHER COUNTRIES IS HEAVY. AMONG THOSE MOST AFFECTED ARE COLOMBIA, JAMAICA, AND TRINIDAD. THEREFORE, MOST, BUT NOT ALL, ACTIONS RELATING TO MOVEMENT OF HIGHLY TRAINED PERSONS MUST BE DESIGNED ON A COUNTRY BY COUNTRY AND NOT HEMISPHERIC BASIS.

20. (E) MOVEMENT OF HIGHLY TRAINED PERSONS FROM LATIN AMERICA TO UNITED STATES OF A CHARACTER REQUIRING GREATEST ATTENTION IS THAT OF PHYSICIANS. THIS MOVEMENT IS SYMPTOMATIC OF DEFICIENCIES IN THE MEDICAL EDUCATION SYSTEMS OF BOTH LATIN AMERICAN COUNTRIES AND UNITED STATES. IT ALSO SYMPTOMATIC OF DEFICIENCIES IN THEIR SYSTEMS OF HEALTH CARE.

21. IN LIGHT OF ABOVE, UNITED STATES BELIEVES SERIOUS APPROACHES TO AMELIORATION OF PROBLEM OF EXODUS OF QUALIFIED PERSONNEL FROM LATIN AMERICAN COUNTRIES MUST INVOLVE DISCUSSION AND COOPERATION BETWEEN UNITED STATES AND LATIN AMERICAN COUNTRIES, SINCE MOVEMENT IS LARGELY THE CONSEQUENCE OF DISPARITIES IN COUNTRY CONDITIONS. UNITED STATES FAVORS CONDUCT OF STUDIES

BY ECLA THAT EXAMINE BOTH (A) EFFECTS ON LATIN AMERICAN COUNTRIES DUE TO EXODUS OF QUALIFIED PERSONNEL AND BASIC FACTORS CONTRIBUTING TO SUCH EXODUS, AND (B) BENEFITS RECEIVED BY LATIN AMERICAN COUNTRIES FROM TRAINING OPPORTUNITIES PROVIDED BY DEVELOPED COUNTRIES. SUCH STUDIES SHOULD EXAMINE POSSIBLE MEASURES TO IMPROVE SITUATION, SUCH AS: -- WAYS TO INCREASE THE FLOW OF PROFESSORS FROM UNIVERSITIES IN UNITED STATES TO THOSE IN LATIN AMERICA; -- WAYS TO INCREASE FLOW OF STUDENTS FROM LATIN AMERICA TO UNITED STATES AND RETURN,

UNCLASSIFIED

PAGE 07 STATE 036317

INCLUDING MODEL PROGRAM NOW BEING DEVELOPED BY VENEZUELA; -- WAYS TO STRENGTHEN COOPERATIVE RESEARCH AND GRADUATE EDUCATION EFFORTS AMONG LATIN AMERICAN COUNTRIES; -- ESTABLISHMENT OR STRENGTHENING OF PROGRAMS OR INSTITUTIONS FOR ADVANCED TRAINING IN AREAS OF STRATEGIC IMPORTANCE TO DEVELOPMENT, SUCH AS INDUSTRIAL MANAGEMENT, GOVERNMENT ADMINISTRATION, AND NATURAL RESOURCES MANAGEMENT; -- PRACTICAL MEASURES THAT MIGHT INDUCE HIGHLY QUALIFIED PERSONS WHO HAVE MIGRATED TO RETURN; -- MEASURES FOR DEALING WITH PROBLEMS GENERATED BY MOVEMENT OF PHYSICIANS TO THE UNITED STATES (IN COOPERATION WITH THE PAN AMERICAN HEALTH ORGANIZATION).

22. THIS IS NOT EXHAUSTIVE LIST. IT INDICATES TYPES OF STUDIES WHICH UNITED STATES WOULD VIEW WITH ENTHUSIASM. SUCH STUDIES COULD LEAD TO MORE PRODUCTIVE, ACTION-ORIENTED RESULTS BASED ON INDIVIDUAL INCENTIVES RATHER THAN COST/BENEFIT ANALYSES AND STUDIES ORIENTED TOWARD RAISING BARRIERS TO INTERNATIONAL FLOW OF QUALIFIED PERSONNEL. MAW

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